



28 July 2009
Australian Securities Exchange
20 Bridge Street
Sydney
NSW 2000

Attention: Ms Emma Badhni

Dear Ms Badhni

QRxPharma Limited ACN 102 254 151 (QRx)

We refer to your letter to us of 27 July 2009.

Mr Michael Quinn is a director of Innovation Capital Associates Pty Ltd which is the trustee of the Innovation Capital QRX 1 and 11 Trusts (Trust). On 25 May 2009 shares held by the Trust in QRx were released from escrow and on the same day these shares were distributed to the beneficiaries of the Trust. The release from escrow was itself disclosed to the market; and there was no change in the beneficial interest in any of those shares as a result of the distribution. The shares held in the Trust had been included in Mr Quinn's interests disclosed to ASX and the change arising from this distribution was therefore disclosed in the 20 July 2009 3Y Notice. Mr Quinn's economic interest in shares in QRx has not changed.

The following is provided in response to the queries raised in your 27 July letter.

1. QRx's failure to notify ASX within the required time was due to an oversight arising from a combination of factors. These included the technical nature of the change arising from a distribution under a trust to trust beneficiaries. This oversight was compounded by the director Mr Quinn being overseas on business at the time the distribution was made.
2. QRx has in place various procedures aimed at ensuring compliance with its obligations under the ASX Listing Rules as well as adherence to its corporate governance policies. In relation to continuous disclosure procedures and more particularly obligations under ASX Listing Rule 3.19:
 - The Company Secretary has been mandated as the party responsible for communicating disclosures to ASX and the Board members have been advised of their obligation to provide relevant information to the Company Secretary;
 - The Company Secretary who attends board meetings actively reminds directors of their ongoing disclosure duties;
 - The Company has adopted trading windows for directors and other officers which involve disclosure to the Chairman and/or Company Secretary of the sale and purchase of shares in QRx.

3. The Company believes that it has in place adequate procedures to ensure compliance with its Chapter 3 disclosure obligations. The Company believes that its oversight on this occasion was a one off arising from a combination of factors, in particular the somewhat technical nature of the change in interest that arose despite there being no change in Mr Quinn's economic interest in shares in QRx. Notwithstanding this QRx considers disclosure to be an important compliance issue and integral to its corporate governance policies. Given this, QRx proposes that henceforth directors' interests will form a part of a corporate governance standing item at all future board meetings, as a platform to remind directors of the importance of compliance with this disclosure obligation.

Yours sincerely

A handwritten signature in black ink that reads "C. J. Campbell". The signature is written in a cursive, flowing style.

Chris J Campbell
Company Secretary.



27 July 2009

Chris Campbell
Company Secretary
QRxPharma Limited
35 Lime Street
Sydney NSW 2000

By Email

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20 Bridge Street
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Dear Chris

QRxPharma Limited (the "Company") Appendix 3Y – Change of Director's Interest Notice

We refer to the following:

1. The Appendix 3Y lodged by the Company with ASX Limited ("ASX") on 20 July 2009 for Mr Michael Quinn (the "Director's Notice");
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.
4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Director's Notice indicates that a change in the director's notifiable interest occurred on 25 May 2009. It appears that an Appendix 3Y should have been lodged with ASX by 1 June 2009. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Director's Notice was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at emma.badhni@asx.com.au or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on Thursday, 30 July 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

(sent electronically without signature)

Emma Badhni
Senior Adviser, Issuers (Sydney)